

FISCAL NOTE

SB 1290 - HB 1171

February 27, 2001

SUMMARY OF BILL: Amends the retirement law by providing a definition of *average final compensation* to be used exclusively in computing the monthly retirement allowance for Class C members of the superseded state retirement system. The average final compensation for such members will be based on the average salary of the member's three highest consecutive years of salary rather than the member's five highest consecutive years of salary.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$605,000 Annual Amortized Cost

Estimate assumes:

- total lump sum liability to state government of \$6,360,000
- annual amortized cost with a 20-year lump sum liability
- TCA §8-36-702 requires recalculation of retirees if the *average final compensation* changes
- a total of 38 active and 410 retired prior Class C troopers affected by this bill

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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